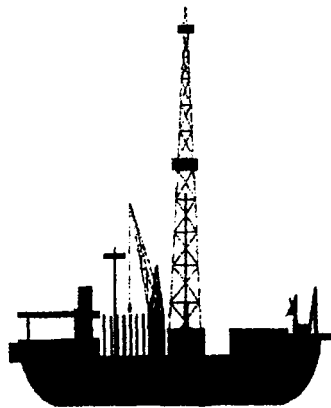
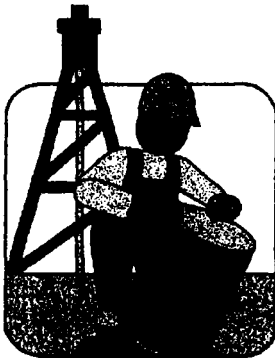


## RISK ASSESSMENT AND CONTROL

### ENRON NORTH AMERICA PORTFOLIO WATCH LIST UPDATE AS OF 2/14/2000



#### Distribution:

Baxter, Cliff  
Bowen, Ray (via cc:Mail)  
Buy, Rick  
Donahue, Jeff (via cc:Mail)  
Haedicke, Mark (via cc:Mail)  
Hopley, John  
Skilling, Jeff  
Sutton, Joe (via cc:Mail)  
Whalley, Greg

PLEASE NOTIFY RICK CARSON AT X3-3905  
WITH QUESTIONS OR COMMENTS

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Cost & Carry Values as of 12-31-99. Market Values from Merchant Portfolio Report Dated 2-10-2000.

EXHIBIT	30659
WIT:	Carson
DATE:	10-26-04
M. BOUDREAU	611

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GOVERNMENT EXHIBIT 24587 Crim No. H 04-0025
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**RISK ASSESSMENT & CONTROL**  
**PORTFOLIO WATCH LIST – UPDATE AS OF 2/14/2000**  
**VALUES INDICATED ARE FOR ENRON NORTH AMERICA**

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**RESTRUCTURING GROUP ACTIVITY**

<b>In Progress / Partially Completed *</b>	<b>Restructurings Completed</b>
Brigham Exploration	Carrizo Oil & Gas
C-Gas	Costilla Energy
Crown Energy	Eugene Offshore Holdings, LLC
Enserco Offshore	Forcenergy
Gasco Distribution	Ice Drilling
Hogan Exploration	Inland Resources
Hughes Rawls LLC	Repap Enterprises
Industrial Holdings	Transcoastal Marine
Kafus Industries / Canfibre	TriPoint, Inc.
Lyco Energy *	Qualitech Steel
Nakornthai Strip Mill *	
Queen Sand Resources *	
Sierra Well Service	

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**RISK ASSESSMENT & CONTROL**  
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**WATCH**

Assets displaying early warning signs of potential weakness that deserve close attention.

**Bonne Terre Exploration** (Limited Liability Company) JEDI II & Balance Sheet

- **“MOVED FROM PERFORMING”** A recent ENA internal reserve report indicates that the Company's PV10 total proved value is only \$1.5 MM (two wells currently economically viable). The investment is structured as an LLC with Sam Gary contributing land, prospects and 3-D seismic data worth \$20 MM, as well as \$4 MM in cash. Enron and JEDI II have committed cash of \$36 MM over a two-year period, in return for a 62.5% membership interest in the LLC. The Company has developed a sizable prospect and seismic inventory, but will require additional capital and / or industry trades to develop. Sam Gary, a private E&P Company located in Denver, is the Managing Member with control of operations. A technical evaluation by the ENA Engineering group is underway.

~~Cost: \$36.00 MM    Market Value: \$1.50 MM    Carry Value: \$1.50 MM~~

**Cypress Exploration** (Working Interest) Balance Sheet

- The New York based investment-banking firm of Allen & Co., continues to locate and interview potential investors to place capital (targeting \$60 - \$70 MM) into the LLC. Energy Investment Company of Lafayette LA, will be designated the Managing Member, with control of daily operations.

~~Cost: \$56.20 MM    Market Value: \$56.15 MM    Carry Value: \$56.17 MM~~

**DPR Holding Company, LLC** (Senior Debt & Private Equity) JEDI II & Balance Sheet

- The slope work at the Eagle seam in the Panther mine has been progressing slower than expected, with full production from this seam now expected in Jun-2000. On a positive note, production was up significantly for Q-4-99 at the Remington mine. ENA recently extended additional loans for \$8MM, with proceeds to be used to develop slope work to the Eagle seam, purchase additional mining equipment at the Dakota mine and upgrade the coal preparation plant at the Remington mine. The lawsuit by Peabody Coal against DPR, regarding the issue of “off-spec” coal has been resolved and dropped - no pricing concessions were required.

~~Cost: \$27.147 MM    Market Value: \$27.190 MM    Carry Value: \$27.872 MM~~  
 (Transfer to ENA CLO #1) \$24.324 MM

**Ecogas Corporation** (Private Equity & Revolving Debt) Balance Sheet

- **“MOVED FROM PERFORMING”** Issues have recently surfaced regarding the Company's working capital position, the adequacy of internal controls and budgetary processes. Current liquidity constraints have also put the Company's ability to meet payroll obligations and its required payments to bondholders at risk. Working capital has been impacted by project completion times, permitting delays and delays in obtaining external project financing. The Company currently has no significant revenues, as a result of most projects still being under construction. Staffing continues to be a concern, with the Company recently hiring a Controller, but having had a vacant CFO position since Enron made its investment in Jul-99. A due diligence financial and operational review was performed by RAC at the Company's corporate headquarters in Austin, TX on Jan 25<sup>th</sup>-27<sup>th</sup>. ENA has mobilized a financial and commercial team to address the issues.

~~Cost: \$46.75 MM    Market Value: \$46.55 MM    Carry Value: \$46.05 MM~~

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**TROUBLED** – Assets for which the returns are considerably less than originally projected.

**Brigham Exploration Co.** (Sub-debt, Common Stock & Warrants) JEDI II & Balance Sheet

- The ENA Restructuring Group is documenting a revision to Enron / JEDI II's Sr. Sub-Debt/Warrant Agreement that will allow Brigham to close an incremental Sr. Loan from Shell Capital that will initially bring \$15 MM into the Company. This will result in a Sr. Debt balance of \$70 MM (\$55 MM currently outstanding). If certain performance levels are achieved, this could go to \$75 MM. In exchange for agreeing to the transaction ENA / JEDI II will receive, among other things, a 4% ORRI on all of Brigham's properties and a re-strike of our existing warrants and a cash-less exercise provision. The anticipated closing is within 2 weeks. Brigham common stock is currently trading at \$2 1/8 up from a low of \$1, recorded on Dec-11-2000.

~~Cost: \$14.00 MM Market Value: \$19.38 MM Carry Value: \$18.75 MM~~

**C-Gas** (Private Equity) JEDI I

- The high bid for the Company that was received from privately held Somerset has been rescinded. Enron now plans to meet with certain of the original bidders to attempt to enter into a purchase and sale agreement. Somerset's bid for total enterprise value was \$43 MM (new bids expected lower - in the high \$30's). Backing out C-Gas's long term debt of approximately \$22 MM, leaves equity value of \$21 MM, roughly \$11 MM less than Enron's cost basis.

~~Cost: \$31.70 MM Market Value: \$17.60 MM Carry Value: \$28.33 MM~~

**Carrizo Oil & Gas** (Preferred Stk. & Warrants) JEDI II & Balance Sheet

- RESTRUCTURING COMPLETED – FINAL REPORT / WARRANTS RETAINED. Enron's 9% Series A preferred stock has been repurchased by Carrizo for \$12 MM. ENA retained 250,000 warrants, the exercise price of which was reduced to \$4 per share from \$11.50.

~~Cost: \$0.50 MM Market Value: \$0.93 MM Carry Value: \$0.50 MM~~

**Crown Energy** (Private Equity) Balance Sheet

- Crown is setting up a "pilot program" at their Asphalt Ridge facility, utilizing a similar process to that used with Canadian oil sand extraction. Crown expects to begin 24-hour testing soon, with full results anticipated in 4-6 weeks. MCNIC has agreed to put up the capital for the project in return for an increase in their equity position.

~~Cost: \$5.68 MM Market Value: \$3.020 MM Carry Value: \$3.020 MM~~

**EnSerCo Offshore** (formerly NorAm) (Senior Term Loan) EnSerCo

- No changes since our last report. Marketing efforts for the sale of the rig are ongoing. Legal pursuit of the guarantee continues following unsuccessful mediation.

~~Cost: \$5.87 MM Market Value: \$4.87 MM Carry Value: \$5.87 MM~~

**Eugene Offshore Holdings, LLC** (Sr. & Subordinate Revolvers) JEDI I

- RESTRUCTURING COMPLETED - JEDI and ENA Restructuring have consented to the proposed merger of Magellan Exploration LLC with 3TEC Energy Corp (NASDAQ: "TTEN"). JEDI will receive 390,000 warrants from 3TEC that will have a four-year term and a \$10 strike price (current 3TEC price: \$3.50) Enron retains an exploration option on Eugene Island 30 and a 50% W.I. in Breton Sound 34. On Jan-18-2000 3TEC announced shareholder approval of a one-for-three reverse split of the outstanding shares of common stock of the Company. JEDI will also have net exercise rights and piggyback registration rights.

~~Cost: \$4.50 MM Market Value: \$5.928 MM Carry Value: \$4.101 MM~~

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**TROUBLED – continued**

**Fortenergy** (Volumetric Production Payment) Balance Sheet Chapter 11 Bankruptcy...

- RESTRUCTURING COMPLETED / FINAL REPORT - Total production payment volumes have now been delivered and the proceeds deficiency of approximately \$200K has been paid in full.

Cost: \$100 Market Value: \$30 Carry Value: \$30

**Gasco Distribution** (Term Loan with Warrants) JEDI 1

- Minor updates since the last report. Loan Agreement currently in default. The Restructuring Group received an offer from the Company regarding a payoff of the loan, equity and trade payable, which has been rejected.

Cost: \$178.1MM Market Value: \$178.1MM Carry Value: \$178.1MM

**Hughes Rawls LLC** (LLC Membership and Senior Loan) JEDI I & Balance Sheet

- The Restructuring Group anticipates exiting from the debt side of the investment at par (\$9.5 MM gross). ENA has notified and extended the payoff under the Sept-98 Loan Agreement (\$8.15 MM) to Apr-26-2000. JEDI has agreed to accept payment in full pursuant to the Promissory Note Agreement of Apr-99, in the original principal amount of \$1.308 MM, plus all accrued interest, fees and expenses, if such payment is made by Apr-26-2000. Hughes Rawls will be the sole remaining Member of the LLC.

Cost: \$9.455MM Market Value: \$9.455MM Carry Value: \$9.455MM

**Ice Drilling** (Term Loan with Warrants) EnSerCo

- RESTRUCTURING COMPLETED A reconciliation of the amounts owed indicates C\$1,057,836 (US\$719,616) outstanding on the original US\$10 MM (gross) loan after the sale of assets placed in receivership. A proposal from the guarantors regarding the deficiency has been received in the amount of approximately \$200K. The Enron Restructuring group deemed the proposed settlement unacceptable and plan to continue to pursue the guarantee.

Cost: \$ Market Value: \$ Carry Value: \$

**Industrial Holdings** (Term Loan / Currently @ LIBOR + 10%) EnSerCo

- The Enron Restructuring Team has completed an analysis of the Company and began meetings with IHII on Jan-28<sup>th</sup>. Price Waterhouse has been retained by IHII to assist them in restructuring their balance sheet. If Enron agrees to extend the loan, we will look to receive a second lien position on all assets, interest escalation features the longer the loan remains outstanding and cost-less warrants.

Cost: \$7.5MM Market Value: \$7.12MM Carry Value: \$7.12MM

**Inland Resources** (Cumulative Convertible Preferred) JEDI II

- RESTRUCTURING COMPLETED The asset will remain in the "Troubled" category pending performance until Jun-30-2000. If performance in the restructured format meets expectations, the asset will move back to the "Watch" category. Enron owns approximately 12.6% of the outstanding common stock of Inland (2,920,975 shares) and also holds preferred shares with a face value of \$10 MM. Inland recently announced that effective Jan-31-2000, it has sold its subsidiary, Inland Refining, Inc., which owns gasoline refineries in Woods Cross, Utah and Roosevelt, Utah, to Silver Eagle Refining, Inc. The sales price was \$500,000, together with the assumption of various refinery liabilities and obligations. Prior to the sale, the existing inventory, cash, accounts receivable and a note receivable were transferred to another wholly owned subsidiary of Inland, and this subsidiary agreed to satisfy various accounts payable and liabilities not assumed as part of the purchase price.

Cost: \$4.928MM Market Value: \$4.928MM Carry Value: \$4.928MM

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**TROUBLED – continued**

**Kafus Industries, Ltd., Canfibre of Riverside, Inc.** (Debt & IPC's) Balance Sheet

- **“MOVED FROM PERFORMING”** The Riverside, CA medium density fiberboard (“MDF”) plant has been plagued with construction and technology issues. The most serious problem is that the high-end fiberboard will not meet quality requirements for smoothness and extraneous content. Production of this product is several months behind schedule and Canfibre is involved in arbitration with Stone & Webster, the EPC contractor. Kafus management was in Houston this past week seeking “bridge” financing of \$6.5 MM for capital “fixes” to the Riverside facility and an additional \$8.5 MM for other corporate needs. The Company is experiencing severe liquidity problems that are impacting all of their subsidiaries and will likely need more than the \$15 MM to be viable. They are also counting on a successful private placement of \$16.0 MM.

~~Cost: \$12.570 MM Market Value: \$12.570 MM Carry Value: \$12.570 MM (Riverside)~~  
~~Cost: \$12.570 MM Market Value: \$12.570 MM Carry Value: \$12.570 MM (Other Kafus)~~  
 (Transfer to ENA CLO Trust #1) \$ 57.242 MM  
 (Transfer to Condor) \$ 17.875 MM

**Queen Sand Resources, Inc.** (Equity – Preferred & Common) JEDI I, JEDI II & Balance Sheet

- **RESTRUCTURING PARTIALLY COMPLETED** No updates since the last report. Negotiations with third parties continue regarding our equity investment in the Company. The Enron Restructuring Group negotiated the take out of the senior secured debt at par, plus all accrued interest and fees. Queen Sand common closed recently at \$.45 cents per share. The shares were down 88.5% for 1999.

~~Cost: \$7.24 MM Market Value: \$4.022 MM Carry Value: \$4.022 MM~~

**Sierra Well Service** (Senior Secured Notes with Warrants and Preferred Stock) JEDI II

- Sierra continues to work with Andrews & Kurth LLP on the filing of an S-1 registration statement. Due diligence also is ongoing regarding the proposed merger (pre-IPO) with privately held, Houston based, Q-Company. A merger of the two companies would result in a combined Company with an enterprise value of approximately \$150 MM and would give greater visibility in terms of attracting institutional investors and analyst following. The timing of the IPO is likely for Q-2-2000. The “claw-in” feature in the loan agreement will allow Enron to retain approximately 7% of the common in the Newco.

~~Cost: \$1.363 MM Market Value: \$4.022 MM Carry Value: \$4.022 MM~~  
 (Transfer to ENA CLO Trust #1) \$50.166 MM

**Repap Enterprises** (Convertible Note with Warrants) Balance Sheet

- **RESTRUCTURING COMPLETED / FINAL REPORT** - Enron's convertible note has been sold to DLJ for approximately \$0.48 cents on the dollar. The Repap Agency Agreement has been retained.

Repap Agency Agreement \$ 3.364 MM

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**T**ROUBLED - continued

Transcoastal Marine Services (Subordinated Debt with Warrants) JEDI II

- RESTRUCTURING COMPLETED. The asset will remain in the "Troubled" category pending performance until Jun-30-2000. If performance in the restructured format meets expectations, the asset will move back to the "Watch" category. The time period for the required \$15 MM of mandatory equity infusion has been pushed back to Apr-30-2000, and in that regard, TCMS has received a term sheet and anticipates a private placement equity infusion from SCF Partners for \$5MM. The second \$10 MM tranche will be obtained through a Stockholders' Rights Offering that will have detachable warrants for the purchase of 3.33 MM shares of common stock at an exercise price of \$3.00. An investor will provide a standby commitment for the purchase of preferred stock not closed in the Rights Offering. Anticipated closing date of the Rights Offering is Apr-30-2000. TCMS common stock was recently quoted at \$3 7/8, up from \$2 7/8 recorded on Dec-31-99.

Cost: \$20.00 MM    Market Value: \$20.00 MM    Carry Value: \$ 20.00 MM  
(Transfer to ENA CLO Trust #1)                      \$ 20.00 MM

Tri-Point Inc. (Term & Revolver Loans with Warrants) EnSerCo

- RESTRUCTURING COMPLETED / FINAL REPORT Ex-Pro, a private Scottish company, purchased Tri-Point for approximately \$30 MM the week of Jan-31th. The Enron Restructuring Group negotiated the take out of our two loans at par, plus all accrued and unpaid interest. In addition Enron received \$2 MM for our warrants, which made the all-in IRR approximately 22%.

Cost: \$30.00 MM    Market Value: \$30.00 MM    Carry Value: \$30.00 MM

**L**OSS

No future cash flows projected and FMV of the asset has been written off. Residual recovery possible.

Belco Oil & Gas (Warrants) JEDI I

- The Belco warrants are out of the money to the extent that it is not likely that any value will be realized unless another transaction is consummated with Belco that would involve re-pricing the warrants, which strike at \$27.50.

Cost: \$7.50 MM    Carry Value: \$ 0    (Cost is a Gross Value)

Costilla Energy (Cumulative Convertible Preferred) JEDI II & Balance Sheet

- RESTRUCTURING COMPLETE - FINAL REPORT - Chapter 11 bankruptcy. On Feb-11-2000 the Company filed a proposed plan of reorganization with the U.S. Bankruptcy Court for the Western District of Texas, Midland Division. The plan, which is subject to approval by the Bankruptcy Court, provides for the following: Costilla's existing common and preferred stock will be cancelled and will receive no distributions. Holders of the Company's \$180 MM of 10 1/4% Senior Notes due 2006, and other unsecured creditors will receive New Common Stock representing 100% ownership of the reorganized company. The Company's bank credit facility will be treated as a secured claim which may be satisfied by either refinancing provided by other parties or a renewal note with the existing bank group. As a common and preferred stockholder, Enron will receive no benefit under the plan as filed. The Enron Restructuring group was successful in having the Bankruptcy Court re-instate (on pre-bankruptcy terms and conditions), a gas contract with Houston Pipeline preserving approximately \$2.3 MM in mark-to market value for Enron.

Cost: \$2.3 MM    Carry Value: \$ 0

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**L**OSS - continued

Hogan Exploration (Senior & Ordinary Membership Interests) ECT Balance Sheet

- Enron has been advised that the Company has entered into voluntary bankruptcy. Enron's analysis indicates that Hogan's liabilities exceed total assets and the investment has been written off.

Cost: \$1,100,000      Carry Value: \$0

Lyco Energy (Private-Convertible Preferred & Common) JEDI I and Balance Sheet

- RESTRUCTURING PARTIALLY COMPLETED The Enron Restructuring Group negotiated a total payment by Lyco of their outstanding trade payable of approximately \$2.1 MM, which included accrued interest. Regarding the payoff of our investment in Lyco's preferred / common stock, a "best efforts" agreement for total consideration of \$2.5 MM has been informally entered into between the parties. This transaction is anticipated to close on or about Mar-31".

Cost: \$2,500,000      Carry Value: \$0

Nakornthal Strip Mill (NSM) -Thailand (Subordinated Notes w/Warrants) Balance Sheet

RESTRUCTURING PARTIALLY COMPLETED The Enron Restructuring Group has successfully obtained releases from a number of bondholders that had sued the NSM underwriting group, including ECT Securities. Enron's "B" notes, with a face value of approximately \$10 MM, were sold to Oaktree Capital Management for \$100,000. Enron expects a finalized re-capitalization plan for the Company to emerge shortly. Any further meaningful recovery for Enron is viewed as unlikely.

Cost: \$10,000,000      Carry Value: \$0

Qualitech Steel Corporation (Sr. & Sub. Debt w/common stock & warrants) Balance Sheet

- RESTRUCTURING COMPLETED / FINAL REPORT Enron is maintaining a gas supply contract to the Qualitech SBQ facility in northern Indiana, however, the Company is required to pre-pay one month in advance.

Cost: \$5,000,000      Carry Value: \$0

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